

**Exhibit: EPR - 2**  
**Illinois American Water Company - Chicago Metro District vs. AWWA Benchmark Surveyed Utilities**  
**O&M Costs Per Account and Million Gallons Treated Comparison**

**AWWA Benchmarking Survey\*\***

|  | <b>IAWC Chicago Metro*</b>                   |                                     | <b>Water Only</b> |         | <b>Combined W/WW</b> |         |
|--|--|-------------------------------------|-------------------|---------|----------------------|---------|
|  | Excludes<br>Purchased Water &<br>Maintenance | Excludes<br>Purchased Water<br>Only | Top Quartile      | Median  | Top Quartile         | Median  |
| <i>Residential Bill per 7500g</i>        | \$38.11                                      |                                     | \$18.69           | \$23.64 | \$18.88              | \$24.06 |
| <i>Net O&amp;M Cost Per Account</i>      | \$240.21                                     | \$266.68                            | \$208             | \$276   | \$180                | \$278   |
| <i>Net O&amp;M Cost Per MG Processed</i> | \$1,990.00                                   | \$2,209.00                          | \$1,010           | \$1,360 | \$1,028              | \$1,512 |

\* Based on Chicago Metro District information provided in Exhibit No. 3.01 (System Data as of December 2006) and in Exhibit No. 17 (Schedule C-2 - Summary of Proposed Adjustments to Operating Income). IAWC Operating Expenses are exclusive of Purchased Water, and Purchased Water and Maintenance-Other Expenses and discounted based on an assumed 4% annual inflation factor.

\*\* Benchmarking Performance Indicators for Water and Wastewater Utilities: 2006 Annual Survey Data and Analysis, American Water Works Association, pp.23 & 33.

**Exhibit EPR - 3**

**Illinois American Water Company - Chicago Metro District vs. Selected Regional Utilities**

**Estimated O&M Costs Per Account and Million Gallons Treated Comparison**

|  | <b>Test Year - June<br/>2009*</b>               | <b>FY 2006 Actual &amp;<br/>Estimates</b> | <b>FY 2006 Actual &amp;<br/>Estimates</b> | <b>FY 2006 Actual &amp;<br/>Estimates</b> | <b>FY 2006 Actual &amp;<br/>Estimates</b> |
|--|---|---|---|---|---|
|  | <b>Illinois American -<br/>Chicago District</b> | <b>Downer's Grove</b>                     | <b>Lemont</b>                             | <b>Woodridge</b>                          | <b>Wheaton</b>                            |
| Number of Water Customers  | 44,501  | 18,979                                    | 5,174                                     | 9,172                                     | 16,188                                    |
| Average Daily Pumpage (MGD)  | 14.72   | 6.35                                      | 1.37                                      | 2.74                                      | 5.26                                      |
| Operating Expenses   |   |   |   |   |   |
| Personnel Expenses   | \$4,121,249                                     | \$972,706                                 | \$638,135                                 |   |   |
| Commodities & Contractuals   | 6,277,257                                       | 535,326                                   |   |   |   |
| <i>Indirect Cost Transfers</i>   |   |   |   |   |   |
| - Maintenance & Repair   | 1,324,797                                       |   | 353,772                                   |   |   |
| Miscellaneous Expenses   | 1,028,026                                       | 2,557,480                                 |   |   |   |
| - Purchased Water / Water Source   | 15,010,934                                      | 3,470,491                                 | 158,598                                   | 2,071,740                                 | 2,835,149                                 |
| Customer Service / Acctg   | 597,825   |   |   |   |   |
| - Allocated Sewer O&M  |   |   |   | 786,314                                   |   |
| <b>Total</b>   | <b>\$28,360,088</b>                             | <b>\$7,536,003</b>                        | <b>1,479,847</b>                          | <b>\$4,776,201</b>                        | <b>\$6,483,273</b>                        |
| Net Operating Expenses   |   |   |   |   |   |
| <b>Excluding</b> Purchased Water, Sewer, and Maintenance & Repair              | \$12,024,357                                    | \$4,065,512                               | \$967,477                                 | \$1,918,147                               | \$3,648,124                               |
| Performance Ratios - Excluding Purchased Water, Sewer and Maintenance & Repair |   |   |   |   |   |
| <i>Net O&amp;M Cost Per Account</i>  | <b>\$240.21</b>                                 | <b>\$214.21</b>                           | <b>\$186.99</b>                           | <b>\$209.13</b>                           | <b>\$225.36</b>                           |
| <i>Net O&amp;M Cost Per MG Processed</i>                                       | <b>\$1,990.00</b>                               | <b>\$1,754.00</b>                         | <b>\$1,935.00</b>                         | <b>\$1,918.00</b>                         | <b>\$1,902.00</b>                         |
| <b>Proposed Adjustment to IAWC Operating Expenses</b>                          | <b>\$750,000</b>                                |   |   |   |   |
| <i>Adjusted O&amp;M Cost Per Account</i>                                       | \$225.23  | \$214.21                                  | \$186.99                                  | \$209.13                                  | \$225.36                                  |
| <i>Adjusted O&amp;M Cost Per MG Processed</i>                                  | \$1,866.00                                      | \$1,754.00                                | \$1,935.00                                | \$1,918.00                                | \$1,902.00                                |
| Net Operating Expenses   |   |   |   |   |   |
| <b>Excluding</b> Purchased Water and Allocated Sewer Only                      | \$13,349,154                                    | \$4,065,512                               | \$1,321,249                               | \$1,918,147                               | \$3,648,124                               |
| Performance Ratios - Excluding Purchased Water and Allocated Sewer Only        |   |   |   |   |   |
| <i>Net O&amp;M Cost Per Account</i>  | <b>\$266.68</b>                                 | <b>\$214.21</b>                           | <b>\$255.36</b>                           | <b>\$209.13</b>                           | <b>\$225.36</b>                           |
| <i>Net O&amp;M Cost Per MG Processed</i>                                       | <b>\$2,209.00</b>                               | <b>\$1,754.00</b>                         | <b>\$2,642.00</b>                         | <b>\$1,918.00</b>                         | <b>\$1,902.00</b>                         |
| <b>Proposed Adjustment to IAWC Operating Expenses</b>                          | <b>\$2,050,000</b>                              |   |   |   |   |
| <i>Adjusted O&amp;M Cost Per Account</i>                                       | \$225.72  | \$214.21                                  | \$255.36                                  | \$209.13                                  | \$225.36                                  |
| <i>Adjusted O&amp;M Cost Per MG Processed</i>                                  | \$1,870.00                                      | \$1,754.00                                | \$2,642.00                                | \$1,918.00                                | \$1,902.00                                |

\* Net and Adjusted O&M Costs per Account and Per MG Processed are discounted by 4% per annum for IAWC Chicago Metro District costs to enable comparison of test year vs. 2006 values.

**Exhibit EPR - 4**

**Residential Wastewater Charges - 10 CCF (7,480 gallon) User  
All Reporting Group C Water Utilities**

| Utility             | Wastewater Charges | Utility           | Wastewater Charges |
|---------------------|--------------------|-------------------|--------------------|
| Fairbanks, AK       | \$62.63            | Hagerstown, MD    | \$25.58            |
| White House, TN     | \$50.74            | Lakeland, FL      | \$24.80            |
| Waterford, MI       | \$48.96            | Oceanside, CA     | \$24.70            |
| Duluth, MN          | \$46.29            | Lafayette, LA     | \$24.10            |
| Charleston, WV      | \$46.25            | Williamsport, PA  | \$23.90            |
| Jasper, AL          | \$41.95            | Meridian, MS      | \$23.83            |
| Douglasville, GA    | \$39.41            | Boulder, CO       | \$23.73            |
| Verona, VA          | \$39.28            | Kissimmee, FL     | \$23.24            |
| Salisbury, NC       | \$38.32            | Lancaster, PA     | \$23.15            |
| High Point, NC      | \$37.95            | Knoxville, TN     | \$22.75            |
| Bellevue, WA        | \$36.76            | Santa Monica, Ca  | \$22.62            |
| Cary, NC            | \$35.75            | Longmont, CO      | \$22.46            |
| Spartanburg, SC     | \$35.65            | Columbus, GA      | \$22.10            |
| Winchester, KY      | \$35.10            | Ames, IA          | \$21.55            |
| Corvallis, OR       | \$34.21            | Newark, OH        | \$21.30            |
| Greensburg, PA      | \$33.00            | Erwin, TN         | \$21.28            |
| Carlisle, PA        | \$32.90            | Gainesville, FL   | \$20.54            |
| Springfield, OR     | \$32.29            | Wichita Falls, TX | \$20.15            |
| Corona, CA          | \$31.75            | Grand Island, NE  | \$20.05            |
| Winter Springs, FL  | \$31.72            | Bismarck, ND      | \$19.84            |
| Durham, NC          | \$31.69            | Conway, SC        | \$19.45            |
| Carlsboro, NC       | \$30.65            | Decatur, AL       | \$18.51            |
| Kalispell, MT       | \$30.04            | Conway, AR        | \$18.46            |
| Clearfield, PA      | \$29.49            | Columbus, IN      | \$18.39            |
| Escondido, Ca       | \$29.48            | Peoria, AZ        | \$18.05            |
| Pawley's Island, SC | \$29.10            | Pekin, IL         | \$17.89            |
| Cocoa, FL           | \$29.00            | Janesville, WI    | \$17.37            |
| Topeka, KS          | \$28.97            | Kennewick, WA     | \$17.28            |
| Mount Pleasant, SC  | \$28.07            | Laguna Hill, CA   | \$16.60            |
| Greenville, NC      | \$28.01            | Sheffield, AL     | \$14.87            |
| Wilmington, NC      | \$27.44            | Great Falls, MT   | \$14.70            |
| Denton, TX          | \$27.15            | Midland, TX       | \$14.50            |
| Flagstaff, AZ       | \$26.90            | Sioux Falls, SD   | \$14.38            |
| Concord, NH         | \$26.90            | Tyler, TX         | \$14.12            |
| College Station, TX | \$26.46            | Abilene, TX       | \$13.13            |
| Lebanon, PA         | \$26.32            | Casper, WY        | \$13.02            |
| Gary, IN            | \$26.18            | Provo, UT         | \$13.00            |
|                     |                    | Twin Falls, ID    | \$12.67            |
|                     |                    | Amarillo, TX      | \$12.44            |
|                     |                    | Bloomington, MN   | \$10.69            |
|                     |                    | Jonesboro, AR     | \$10.45            |
|                     |                    | Oak Creek, WI     | \$10.26            |
|                     |                    | <b>Average</b>    | <b>\$26.01</b>     |

Source: 2006 Water and Wastewater Rate Survey, co-produced by American Water Works Association - Raftelis Financial Consultants, Inc.

# **Wastewater Charges - 10 CCF User Group C Utilities (< 20 MGD) EPR-4 P.2**

